GM threatens to sell off Opel

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Sources close to General Motors told the Reuters news agency last week that GM Chief Executive Daniel Akerson was considering plans to sell off its European subsidiary Opel, which is based in Germany.

On Tuesday, Akerson made assurances that the US automaker was not in talks to sell the company to a rival in a phone call with Opel CEO Karl-Friedrich Stracke, Handelsblatt daily reported. Although German Chancellor Angela Merkel has asked for a public statement on GM's intention, the automaker has issued none.

Akerson—a former private equity manager ushered into the leadership of GM by the Obama administration—was one of only two GM board directors who voted against keeping Opel in late 2009. He has made it clear he intends to slash jobs and impose US-style concessions on auto workers to make GM's European operations profitable. Opel lost $1.8 billion last year.

According to German media reports interested parties in a possible sale would include Chinese carmakers or Germany's Volkswagen. Volkswagen is already Europe's biggest carmaker and has announced its intention to become the world's biggest carmaker by the end of the decade.

Should Volkswagen buy up Opel it would have the option of carving out a section of Opel production for its own purposes while scrapping the rest of the company, or closing down its German rival completely.

The reports of plans to sell off Opel further expose the reactionary character of the IG Metall metal workers union and factory works councils, which have repeatedly demanded that German workers make sacrifices to guarantee Opel profits and keep its plants in Germany open.

The demand for job cuts and concessions has been led by the works council at the Bochum Opel plant in west Germany and its Chairman Rainer Einenkel. Last week, the works council—the local management-labor body at the Bochum factory—agreed to Opel's plans to slash 1,800 of the 4,600 workers.

Over the weekend, Einenkel pleaded with GM's management in Detroit to publicly deny there were any plans to sell off the company, saying rumors were "harmful to the reputation of our product."

Under the deal accepted by the works council, 900 workers were pressured to take buyouts by early June. Six hundred more will either have to quit "voluntarily" by mid-August or be made redundant with significantly lower compensation. Three hundred gear production workers who were initially supposed to be laid off this year will receive a reprieve until 2013.

On March 15, Opel executives threatened to resort to layoffs unless enough workers agreed to quit "voluntarily" by mid April. When only 600 workers agreed to redundancies, early retirement or transfers, the works council called for arbitration—a mechanism that inevitably imposes management's dictates.

The results were predictable: the demanded reduction of jobs will be fully enforced, with only a slight delay "if the market permits" to the closure of the gear production unit—which will be closed in late 2013, wiping out 300 jobs

Among the 900 workers who have already quit are 420 employees born between 1955 and 1957 that had already been on short-time working of zero hours and no longer on Opel's payroll. This scheme—in which the government covers the cost of continuing to employ workers—is aimed at avoiding one-time mass sackings and creating conditions to downsize the company through attrition and forced retirements. On March 1, 2013, these workers will dumped into a so-called interim employment society, a company financed by the state and former employer that continues to employ workers for a year and provides job training before being thrown onto the unemployment lines.

In order to pressure the remaining 600 workers to resign, previous compensation offers, which had been lower than those awarded in past years, are being increased slightly. The faster workers decide to quit, the bigger their compensation payment will be.

These interim employment societies have become a profitable business for the unions. After the 2004 Opel strike in Bochum, the works council hired a company called Mypegasus, the biggest of around 400 German interim employment societies. Its sole associate is attorney Peter Hunnekuhl, who is a close confidant of Jürgen Peters, formerly head of IG-Metall.

Only one of four workers who left Opel had found a new job after 12 months in an interim employment society, another 12 percent who found work were self-employed. There is no doubt most of the Opel workers consigned to the interim employment society will face unemployment at the end of a year.

At a factory meeting a week ago, works council chairman Einenkel defended the arbitration committee's decision. For the majority of those affected, however, the decision is worthless. The constant threat of layoffs is part of a ritual between company headquarters and the works council. It enables the works council to depict their results as a "lesser evil" even though it make little difference whether workers are pressured to quit "voluntarily" or get laid off.

Opel spokesman Alexander Bazio said he is confident enough "volunteers" can be found to sign termination agreements by mid-August. Nevertheless he also declared layoffs are still possible as a "last resort." Without "staff reduction," he said, "the plant will have no future."

This is also the standpoint of the works council. Last August they agreed to the plans for job reductions. With his signature under the so-called "Future Pact," Einenkel gave the green light for job reductions at GM's European subsidiary Vauxhall/Opel.

The company, joint works council and the unions have agreed on wage cuts of €265 million per year as well as slashing 8,000 of 48,000 jobs in Europe. More than 1,800 redundancies in Bochum was part of the plan. The only element not agreed upon was the way it was to be executed. Einenkel suggested a "drastic reduction of working hours" to a 30 hour-week without full compensation.

The current agreement sanctions job cuts, but these will not be the last. The works council and IG Metall have repeatedly agreed to the slashing of jobs, claiming this is the only way to protect those remaining. In 2005, almost 10,000 worked at Opel Bochum; five years later that number was cut in half and six years after it was less than 3,000. Eventually the plant will be closed down completely.

At the factory meeting a week ago workers complained that former agreements struck with the company had proved to be worthless. Despite all the promises made, sacrifices such as wage reduction or job cuts were the inevitable result. Einenkel sought to defend his actions claiming, "One has to see we are part of a company that was on the verge of bankruptcy a few months ago."

In order to restore the company's profits Einenkel and his union colleagues are willing to demand every type of sacrifice from the workers. In the US, the UAW has slashed thousands of jobs and cut the wages for newly employed workers by half. In Europe, General Motors has slashed every fifth job and completely closed Opel's Belgian plant in Antwerp.

Now the company is threatening to sell off Opel in order to introduce the types of wages and contract conditions already imposed in the US through the agency of the UAW.

For their part, the German works councils and unions have systematically sabotaged any joint struggle of all General Motors employees in Europe and internationally by playing off individual locations against one another and fomenting nationalism. They regard their main task to be the pacification of the workforce—a policy that encourages the management to undertake ever-fiercer attacks. It is this strategy that restored GM to profitability. Now the Opel workforce is being told to pay the price.

Auto workers in Europe and the US must reject this blackmail and organize their struggles, independently of the unions, to defend the jobs and living standards of workers throughout the global auto industry.